GOVERNMENT OF INDIA
STEEL
LOK SABHA

UNSTARRED QUESTION NO:7536
ANSWERED ON:16.05.2002
DUTY FREE IMPORT OF DEFECTIVE STEEL
CHARAN DAS MAHANT

Will the Minister of STEEL be pleased to state:

(a) whether the second/defective steel is permitted for duty free import under the Advance licence scheme;

(b) whether in some cases, the wastage norms permitted are as high as 75-80%;

(c) if so, whether domestic steel producers have made a representation against import of seconds/defective steel under the Advance licence scheme;

(d) whether the use of such seconds/defective steel affect the quality of the finished product;

(e) if so, the details thereof and reaction of the Government thereto;

(f) whether the Ministry of Steel has proposed any measures to the Ministry of Commerce to control the import of second/defectives steel under the Advance licence scheme; and

(g) if so, the details thereof and the reaction of the Ministry of Commerce thereto?

Answer

MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI BRAJA KISHORE TRIPATHY)

(a) Yes, Sir.

(b) Yes, Sir. In a select number of cases, such as manufacture of cycle chains and auto parts for export, the permitted wastage norms are as high as 75% -80%.

(c) Yes, Sir. A number of representations have been received from the domestic steel industry against the increasing volume of imports of seconds and defectives through the Advance License Route on the grounds that some of these imports find their way into the Domestic Tariff Area (DTA) in a clandestine manner.

(d)&(e): Duty free import of seconds and defectives under the Advance License and Wastage Norms are permitted as per the recommendations of the technical authorities. There may be large variations in the quality of seconds and defectives steel items imported into the country. The quality of the finished products depends upon the quality of the imported seconds/defectives steel used.

(f)&(g): Ministry of Steel has been instrumental in getting a system of checks and balances put in place to curb the import of seconds and defectives in general e.g. duty on such items upto the bound rate of 40%, floor prices, requirement of adherence to BIS norms of quality and restriction of such imports to specific ports for seconds/defectives of certain items. The issue of restricting import of seconds/defectives under Advance Licence Scheme is being examined jointly with the Ministry of Commerce.